Contract farming

2028.SHRI AMIR ALAM KHAN: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government has formulated a Working Group on contract farming;

(b) if so, the details thereof;

(c) the important decision taken by the Working Group;

(d) the details of crops and regions associated with contract farming along with the benefits likely to accrue therefrom;

(e) whether there is any proposal for State regulation, intermediation and monitoring of contract farming; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) Yes, Sir.

(b) The Planning Commission of India had set up a Working Group of the Sub-Committee of the National Development Council on Agriculture and Related Issues relating to Marketing Reforms, Contract Farming and Agro-Processing Sector under the Chairmanship of the Chief Minister of Punjab. The Terms of Reference of this Working Group relating to the Contract Farming were to suggest the current status of contract farming with a view to identify the lacunae and suggest the appropriate models; to suggest an appropriate legal framework with dispute settlement mechanism and compensation procedures; to device a system for providing services including quality inputs, technical knowledge, finance and price fixation for the marketable produce; to suggest a system of identifying the technologies to be introduced for contract farming with a provision of compensation for any under-performance or failure of the technologies introduced by the sponsors; to suggest legal, institutional and / or financial measures required for encouraging contract farming arrangements between the farmers and the agro-processing industry / exporters; and to identify area specific agriculture commodities suitable for Contract Farming for selected agro climatic conditions.

(c) The Report of the Working Group was discussed in the meeting of the Sub-Committee of NDC on Agriculture and Related Issues on 18.04.2007 and subsequently its recommendations were considered by the National Development Council in its 53rd Meeting on 29.05.2007. NDC has resolved in the meeting that State Governments would encourage development of modern markets by completing the process of amending their Agricultural Produce Market Committee (APMC) Acts and notify the Rules thereunder and would also encourage development of linkages to markets through a variety of instruments including cooperative of farmers, contract farming and other means preferred by the States.

(d) The details of crops and regions associated with contract farming along with the benefits likely to accrue therefrom are not being maintained by the Ministry of Agriculture.

(e) and (f) The Model Agricultural Produce Marketing (Regulation) Act circulated by the Ministry of Agriculture to the States/ Union Territories (UTs) in 2003 for implementing marketing reforms has provisions for the registration of contract farming sponsors and recording of contract farming agreements with the Agricultural Produce Marketing Committee (APMC) or a prescribed authority under the Act; protection of title or rights of the farmers over the land under such contracts; dispute settlement mechanism and a model draft agreement suggesting various terms and conditions. By now, relevant provisions have been made by 18 State Governments / UTs in their respective APMC Acts for providing a legal framework to contract farming. In seven States / UTs, there are no APMC Acts, therefore, there is no regulation of contract farming in such States / UTs. To help States in the formulation of Rules in this regard, the Ministry of Agriculture has also circulated a set of Model APMC Rules to them for adoption. The Model Act circulated by the Ministry is suggestive in nature, and since agriculture is a State subject, it is for the State Governments to decide on the implementation, intermediation and monitoring of the contract farming arrangements in their States.

Micro-irrigation

2029.SHRI M.V. MYSURA REDDY: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that Andhra Pradesh is the first State in the country in implementing micro-irrigation;

(b) whether it is also a fact that since implementation of Micro Irrigation Project 3.77 lakh hectares of land has come under micro-irrigation in the State of Andhra Pradesh;

(c) the details of micro-irrigation in other States of the country, State-wise; and

(d) the efforts his Ministry is making to bring more and more land under micro irrigation in the country?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) No, Sir. Maharashtra is the first State in the country in implementing micro irrigation during 1988 as reported in 2004 by the Task Force on Micro Irrigation constituted by Ministry of Agriculture, (Government of India).

(b) Yes, Sir. Since implementation of Andhra Pradesh Micro Irrigation Project (APMIP) the State of Andhra Pradesh has achieved 3.76 lakh ha of land under micro irrigation system.

(c) The State-wise details of area achieved under Micro Irrigation system in the Country is given in the Statement (*See* below).

(d) To promote and to bring more and more land under micro irrigation in the country Ministry of Agriculture, Government of India has launched the Centrally Sponsored Scheme on Micro Irrigation during January, 2006, under which subsidy is provided to all categories of farmers @ 50% of the total cost of the system (drip & sprinkler) in the ratio of 40:10 sharing between Government of India and the State Government. Assistance for demonstration, training, awareness programme and publicity on micro irrigation system are also provided to the States.